Treasury Board of Canada Secretariat

2009–10

Report on Plans and Priorities

The Honourable Vic Toews
President of the Treasury Board

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President's Message

As President of the Treasury Board, I am pleased to present the Treasury Board of Canada Secretariat's *2009–10 Report on Plans and Priorities*, which outlines how the Secretariat will contribute to the achievement of the Government of Canada's commitments.

Budget 2009: Canada's Economic Action Plan sets out an ambitious, multi-year action plan to stimulate the economy and support Canadians during these difficult economic times. For these measures to have a real impact, they must be implemented as quickly as possible. At the same time, the appropriate level of due diligence must be applied to ensure responsible spending and the achievement of results. Over the next year, the Secretariat will be working with other government departments to ensure efficient and effective implementation of Budget 2009.

In addition, the Secretariat will continue working to ensure government spending is effective and achieves the intended results through the ongoing strategic review process. The first round of reviews identified savings totalling $386 million a year and the second round identified savings of $586 million a year. These funds are available for reinvestment from programs that were lower priority, lower performing, or no longer needed to programs that better respond to the priorities of Canadians.

Finally, our government remains committed to public service renewal. We want to ensure that public service employees have the clear mandate and organization they need to continue to provide sound policy advice to the government and high-quality services to Canadians.

As part of this commitment, last month the Prime Minister announced changes to streamline and improve the management of human resources in the public service of Canada, following recommendations from a special advisory committee. We are simplifying the organizational structure for human resources management, reducing overlap and duplication, and providing deputy ministers with the primary responsibility for managing the people in their own departments and agencies.

Effective March 2, 2009, a new Office of the Chief Human Resources Officer was created; it combines central components of human resources management and is housed within the Secretariat.

Through these initiatives, the Secretariat is increasing innovation, transparency, and accountability across government. I am confident that the strategic direction set out in this *2009–10 Report on Plans and Priorities* will help further strengthen government effectiveness and Canada's position as a leader in public sector management.

The Honourable Vic Toews, P.C., Q.C., M.P.
President of the Treasury Board

Section I: Departmental Overview

Raison d'être

The role of the Treasury Board of Canada Secretariat (Secretariat) is to support the Treasury Board in ensuring that government is well managed and accountable, and that its resources are allocated to achieve results. The Secretariat has a direct impact on governance, accountability, the quality of federal public sector management, and the efficiency and effectiveness with which the government's programs and services are delivered.

Roles and responsibilities

The Secretariat supports the Treasury Board by providing advice on all of its responsibilities to Treasury Board ministers. The Secretariat's mandate is to build excellence in management performance. This encompasses expenditure and financial management as well as regulations, compensation, pensions, benefits, terms and conditions of employment, and labour relations. The Canada School of Public Service, which also supports the Treasury Board, together with the Secretariat, the Office of the Commissioner of Lobbying, the Office of the Public Sector Integrity Commissioner, and the Public Service Pension Investment Board form the Treasury Board portfolio.

Treasury Board

The Treasury Board is a Cabinet committee established in 1867 and given statutory powers in 1869. As the general manager of the public service, it has three key functions—to act as the government's management board, budget office, and employer of the core public administration.

The Secretariat plays three key central agency roles in relation to other federal departments, agencies, and Crown corporations:

- An oversight role, including policy development, in monitoring and reporting on management and budgetary performance within government;
- An enabling role in helping departments and agencies improve their performance in these areas; and
- A leadership role in driving and modelling public sector management.

Related to these roles, the Secretariat supports Treasury Board in its role as employer of the core public administration by managing labour relations, compensation operations, and pension and benefit policies and programs.

Operating environment

The rapidly changing economic, demographic, and technological parameters of the public sector pose a challenge to its management and require new approaches and solutions. Effectively managed government means having the right people, processes, and systems and technology to enable government to identify priorities, operate efficiently, and generate innovative ideas and approaches, while remaining accountable, dynamic, and able to respond quickly and appropriately to changing circumstances.

There is an opportunity to solidify the government's reputation and leadership in areas of sound public sector management. The Government of Canada's world-leading approaches to assessing program effectiveness and management performance contribute to improving management capacity and delivering better program results.

In this period of unprecedented economic uncertainty and world-wide crisis, Canadians expect spending to be aligned with the federal government's priorities and government programs to provide value for taxpayers' money. They demand a government that is accountable and manages their tax dollars in a cost-effective manner to address public policy issues. Budget 2009 outlines Canada's Economic Action Plan, which is aimed at providing immediate economic stimulus while promoting long-term growth. It requires timely review and approval of billions of dollars for projects intended for the next two years. This will put particular pressure on the Secretariat to find ways to balance the need for enhanced accountability with the need to expedite approval of the components of the stimulus package.

The federal public service is a large and diverse national institution that:

- consists of over 175 departments, agencies, and organizations;
- includes about 505,000 employees; and
- maintains a presence around the world with federal offices in about 180 countries and 17 missions abroad involving the Canadian Forces.

Demographic changes are creating pressures to improve recruitment into the public service and to enhance mobility between the public and private sectors. These pressures pose particular challenges for the Secretariat, given its employer role. This means finding the balance between retaining a highly qualified workforce in a competitive environment and providing the flexibility required for skilled workers to leave and return to the public service.

The Secretariat, through its work, will continue to ensure that the public service strives for excellence and spends taxpayers' money on efficient and effective programs that support the Government of Canada's priorities to meet the needs and expectations of Canadians.

Strategic outcome and program activity architecture

The work of the Secretariat is focussed on achieving the following strategic outcome:

Government is well managed and accountable, and resources are allocated to achieve results.

The Government of Canada (GC) outcomes form part of the Whole-of-Government Framework,[1] which maps the contributions of departments, agencies, and Crown corporations to a set of four high-level spending areas and 13 outcome areas. The Secretariat's strategic outcome is aligned with the Government Affairs spending area and thus supports all of the government's outcome areas by helping departments, agencies, and Crown corporations meet their responsibilities, deliver their mandates, and serve Canadians.

The following illustrates the Secretariat's framework of program activities and program subactivities, which together contribute progress toward achieving the strategic outcome.

Strategic Outcome: Government is well managed and accountable, and resources are allocated to achieve results.

Program Activity 1: Management Policy Development and Oversight

1.1 Policy Coordination, Management Assessment, and GC Oversight
1.2 HR and Compensation Management
1.3 Service Technology and Information Management
1.4 Assets and Acquired Services
1.5 Financial Management and Internal Audit

Program Activity 2: Expenditure Management and Financial Oversight Program

2.1 Financial Oversight and Reporting
2.2 GC Expenditure Management and Oversight
2.3 Departmental Expenditure Oversight

Program Activity 3: Government-wide Funds and Public Service Employer Payments

3.1 Government-wide Contingencies and Management Initiatives
3.2 Compensation Adjustments, Operating Budget Carry Forward, and Paylist Requirements
3.3 Public Service Employer Payments

Program Activity 4: Internal Services

4.1 Corporate Priorities and Planning
4.2 Public Affairs / Communications Services
4.3 Corporate Services
4.4 Legal Services

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1. http://www.tbs-sct.gc.ca/pubs_pol/dcgpubs/mrrsp-psgrr/wgf-cp-eng.asp

Planning summary

The following table presents the total financial resources (total planned spending) of the Secretariat for the next three fiscal years, beginning with the reporting year.

Financial Resources ($ thousands)

2009–10	2010–11	2011–12
2,315,228	2,489,163	2,489,387

The following table presents a summary of the total planned human resources for the Secretariat for the next three fiscal years, beginning April 1, 2009.

Human Resources (Full-Time Equivalent—FTE)

2009–10	2010–11	2011–12
1,714	1,656	1,656

Due to rounding, some figures in this document may not sum exactly to totals or totals may differ from one table to another.

Summary of planned spending by program activity

Strategic Outcome: Government is well managed and accountable, and resources are allocated to achieve results.	
Performance Indicators	**Targets**
Reports from the Office of the Auditor General (OAG) and international organizations, the Secretariat's internal audits and evaluations, and Management Accountability Framework (MAF) findings will provide an indication of the Secretariat's overall progress in the areas of financial and human resources (HR) management.	The Government of Canada is recognized as a world leader in public sector management.

Data Sources
Reports from the OAG; international studies (e.g. Organisation for Economic Co-operation and Development studies); internal audits and evaluations; and MAF findings.

Program Activity	Forecast Spending 2008–09	Planned Spending			Alignment to Government of Canada Outcomes
		2009–10	2010–11	2011–12	
Management Policy Development and Oversight	109,425	112,497	113,347	113,504	Government Affairs[2]
Expenditure Management and Financial Oversight	42,896	37,027	35,248	35,275	
Government-wide Funds and Public Service Employer Payments	1,803,747	2,103,064	2,282,220	2,282,220	
Internal Services	61,793	62,640	58,347	58,389	
Total	2,017,860	2,315,228	2,489,163	2,489,387	

On February 6, 2009, the Prime Minister announced changes to streamline and improve the management of human resources in the public service of Canada. As a result, the Canada Public Service Agency will no longer operate as a separate entity. It will be housed within the Secretariat under the new Office of the Chief Human Resources Officer. This will impact the financial results of the Secretariat for fiscal year 2009–10 onward. The financial impact of this decision is not reflected in the RPP.

For more details on the planned spending, refer to the Departmental Planned Spending and FTEs table on the Secretariat's website.[3]

Contribution of priorities to the Secretariat's strategic outcome

Government is well managed and accountable, and resources are allocated to achieve results.

As detailed below, the Secretariat is engaged in a number of undertakings to meet its operational priorities. These priorities, which are aligned with the Secretariat's program activities and aim to deliver value for money with respect to program spending and results, contribute to the strategic outcome.

2. http://www.tbs-sct.gc.ca/pubs_pol/dcgpubs/mrrsp-psgrr/wgf-cp-eng.asp
3. http://www.tbs-sct.gc.ca/rpp/2009-2010/inst/tbd/st-ts00-eng.asp

Operational Priority 1	Type	Link to Program Activity	Description
Management regime operates effectively, provides opportunities for informed risk taking, and enables innovation.	Ongoing	Aligned with the Management Policy Development and Oversight program activity	Effective government contributes to Canada's competitive advantage, providing a foundation for security, stability, and prosperity, and is supported by a principles-based, results-focussed, and accountable management regime that promotes sound stewardship, responsible spending, and scope for innovation. The Secretariat plays a critical role in leading, challenging, and enhancing management performance across government to ensure the delivery of value to Canadians. Over the course of the planning period, the Secretariat will focus on improving the government's effectiveness by streamlining and strengthening the rules, reporting requirements, and administrative processes that support management. Through informed risk taking, resources will be allocated to activities of higher value.

Plans for meeting the priority

Addressing the web of rules

Effective government depends on improved management performance—an ongoing, results-focussed commitment to innovation and reducing red tape. To meet these goals, the Secretariat will focus attention on lessening the web of rules, as part of its sustained commitment to the Public Service Renewal Action Plan, and on supporting a cultural shift in how government deals with risk, innovation, and control.

Expected outcome: Clear, strong, simplified rules, reporting requirements, and administrative processes that optimize government's capacity to deliver value while minimizing inefficiency, protecting against key risks, and preserving accountability.

Performance Indicators	Measures for 2009–10
• Development and application of measures to reduce web of rules across federal departments and agencies. • Administrative cost of rules that govern the public service. • Proportion of Treasury Board policy instruments that meet smart rules and reporting principles.	• Engage with departments and agencies and other partners to develop and disseminate initiatives to lessen the web of rules. • Develop an approach to assess the administrative cost of rules governing the public service to permit benchmarking and measurement. • Incorporate smart rules and reporting into Treasury Board policy renewal. • Establish the Centre of Expertise on Risk Management.

Management Accountability Framework[4]

An evaluation of the Management Accountability Framework (MAF) is scheduled for completion in late 2008–09. Based on the results of the evaluation, steps will be taken to enhance this management performance assessment tool and process, which set out the expectations for management excellence within the federal public service. The recommendations for enhancing MAF resulting from the evaluation and a road map for their implementation will take into account a retrospective review of MAF performance to date, a summative evaluation, as well as benchmarking and other comparisons against similar tools used internationally.

The Secretariat will determine the strategic direction for improving MAF and see to its implementation. As MAF evolves, it will continue to support the Secretariat's efforts to challenge, enable, and promote the work of departments and agencies to improve management practices and deliver more effective programs and services to Canadians.

Expected outcome: MAF is an improved tool for assessing the performance of public service management.

Performance Indicators	Measures for 2009–10
• Recommendations from the evaluation are incorporated into MAF Round VII and subsequent rounds. • Improved assessment methodologies resulting from annual post-mortem sessions.	• Analysis of the evaluation's results and recommendations. • Completion of a road map and implementation plan to carry out the evaluation's recommendations, including an assessment of the key areas needing improvement. • Begin implementation of the road map and plan.

Government-wide Service Strategy

Canadians have an expectation that the Government of Canada will deliver services that are modern, effective, and efficient. Departments and agencies have a similar expectation with respect to a variety of internal services they rely on to fulfill their mandates. The objective is to develop a principles-based service strategy with an initial focus on internal services. The Government-wide Service Strategy will be developed in close collaboration with key stakeholders, will be grounded in research and analysis of other jurisdictions' experiences, and will be informed by a full range of service delivery models.

Expected outcome: The Government of Canada will be well positioned to make prudent investments for modernizing its internal functions and its service delivery to Canadians.

4. http://www.tbs-sct.gc.ca/maf-crg/index-eng.asp

Performance Indicators	Measures for 2009–10
• The Service Strategy provides government-wide directions for internal service delivery. • The Service Strategy facilitates government-wide decision making on internal service delivery models.	• The first stage of the Service Strategy development process is completed.

Operational Priority 2	Type	Link to Program Activity	Description
Program spending is focussed on results, provides value for taxpayers' money, and is aligned with the government's priorities and responsibilities.	Ongoing	Aligned with the Expenditure Management and Financial Oversight program activity	This priority is focussed on strengthening the framework that supports the development and implementation of the government's spending plans within the fiscal limits established by the budget. Overall spending must be managed in a manner that ensures all government programs are effective and efficient, are focussed on results, and provide value for taxpayers' money. To this end, resources must be aligned with results and these both must undergo assessment and evaluation on a regular basis.

Plans for meeting the priority

Renewal of the Expenditure Management System

Canadians are concerned with fiscal discipline and obtaining value for their tax dollars. The government has responded with a commitment to better manage government spending through the renewal of its Expenditure Management System (EMS). The goal of EMS renewal is to ensure that all programs focus on results, provide value for taxpayers' money, and are aligned with the government's priorities and responsibilities. Key elements of the renewed system include:

- A results-based management approach to financial and non-financial performance;
- Key information provided to Cabinet for decision making, including the identification of how new spending proposals fit with existing spending; and
- Strategic reviews to assess all direct program spending and performance over a four-year period to ensure management excellence and fiscal credibility.

Expected outcome: Effective and efficient program spending is aligned with departmental planned results and provides value for money.

Performance Indicators	Measures for 2009–10
• Strategic Reviews—All direct program spending is reviewed by 2010–11. • The quality of program performance information is improved through continued implementation of the Management, Resources, and Results Structure Policy (MRRS Policy). • Timely, high-quality evaluation information is available to support evidence-based decision making, strategic reviews, and program improvements.	• Budget plans reflect results of strategic reviews. • Quality of performance information as determined by MAF assessment of program activity architectures (PAA) and performance measurement frameworks (PMF). • Quality of departmental evaluation reports as determined by MAF assessment.

Enhanced departmental financial reporting

The government is committed to more timely and transparent financial reporting, which enables greater oversight and accountability. To this end, the current reporting framework for departmental financial statements will be reviewed so that quarterly and year-end financial reporting may be improved.

Expected outcome: Strengthened financial oversight and greater transparency in financial reporting at the departmental level.

Performance Indicators	Measures for 2009–10
• Guidance and support provided to departments through a detailed reporting framework. • Departmental compliance with the reporting framework.	• Develop and implement the reporting framework.

Operational Priority 3	Type	Link to Program Activity	Description
A dynamic public service that is well equipped to address, in a fiscally responsible manner, challenges raised by a complex and unpredictable environment.	Ongoing	Aligned with the Management Policy Development and Oversight and Internal Services program activities	People management has undergone a fundamental transformation over the past five years. The Prime Minister's Advisory Committee on the Public Service noted in its second report that the HR governance structure is overly complex, has multiple players, and is often burdened by duplication and unnecessary rules. The challenge lies in ensuring that the responsibility and accountability of deputy heads for people management is complemented, not undermined, by governance structures. Compensation is also central to effective HR management, helping to attract, retain, motivate, and renew a talented workforce in a competitive and tightening Canadian labour market. The ability of the public service to meet HR objectives depends to a significant extent on how employees are compensated.

Plans for meeting the priority

Implementation of the Human Resource Agencies Horizontal Strategic Review

As part of EMS renewal, a horizontal review of six central HR organizations was conducted in 2008–09. The review focussed on aligning roles and responsibilities as a means to ensure investments in central HR management activities are effective and efficient. Decisions have now been made to implement the HR Horizontal Strategic Review's recommendations. Effective March 2, 2009, the Canada Public Service Agency (CPSA) was combined with the HR components of the Secretariat to create a new organization, the Office of the Chief Human Resources Officer (OCHRO),[5] housed within the Secretariat. In 2009–10, the Secretariat will implement the changes recommended by the Review. This will reduce the funding to OCHRO in 2009–10 from the levels allocated to the former CPSA and Secretariat HR elements in 2008–09. The Secretariat will drive a people management change agenda that will support primary deputy head accountability for people management, encompass such central activities as collective direction setting and departmental capacity building, and involve a unified approach to employee compensation.

5. For information on the Order in Council creating the OCHRO and the former CPSA's voted and statutory items listed in the Main Estimates, visit the Secretariat's website at http://www.tbs-sct.gc.ca/rpp/2009-2010/inst/tbd/st-ts00-eng.asp.

Expected outcomes:

- Government supports Public Service Renewal by achieving excellence in HR management; and
- Government's commitment to responsible spending encompasses HR functions, ensuring that programs are sustainable over the long term.

Performance Indicators	Measures for 2009–10
• Decisions taken based on the results of the HR Strategic Review are implemented. • Implementation plans are developed to support Review's recommendations.	• Plans for implementing the Review's recommendations are put in place. • Recommendations approved for the 2009–10 fiscal year are implemented.

Compensation management

The objective is to ensure fair compensation of employees at a reasonable cost to Canadians and, at the same time, deliver on the Treasury Board's commitment to the priorities of the government. The key tasks to be performed include the following: renewing 20 collective agreements with 11 bargaining agents; recommending negotiation mandates and funding for separate agencies; recommending compensation for excluded groups, unrepresented groups, exempt staff, the Canadian Forces, and the Royal Canadian Mounted Police (RCMP); and recommending employee reimbursement policies. Also, the Secretariat will provide strategic direction and leadership on policies and programs related to public service pension and employee and pensioners' insurance benefits.

Expected outcome: Compensation that maintains the federal government's ability to attract, recruit, and retain the workforce required to provide services to Canadians and is aligned with the principles laid out in the *Policy Framework for the Management of Compensation.*

Performance Indicators	Measures for 2009–10
• Compensation is aligned with the principles of the *Policy Framework for the Management of Compensation.* • Sound evidence-based analysis and advice are provided to senior officials to support compensation decisions.	• Ability to ratify collective agreements. • Ability to provide approved mandates for separate agencies. • Ability to provide compensation structures for the Canadian Forces. • An integrated approach to compensation management.

Please note that the Secretariat's management priorities are presented under the Internal Services program activity in Section II of this report.

Risk analysis

The Secretariat continues to integrate risk management into its overall governance and planning regime, both formally and informally.

Risks are tracked, assessed, and managed at both the operational and corporate levels. Planning documents enable a real-time view of operational risks and assign responsibility for managing or mitigating anticipated risks.

Risk is integral to all of the Secretariat's responsibilities. Through the Policy Suite Renewal initiative, for example, risk-based approaches have been incorporated into new Treasury Board policies, such as the *Transfer Payment Policy*. In addition, the Secretariat encourages departments to develop risk-based approaches in their Treasury Board submissions when seeking funding for new initiatives.

The 2008–09 Corporate Risk Profile (CRP) has been available for use across the Secretariat as a tool for strategic policy and planning purposes. Updated annually, the 2009–10 CRP is again linked to the PAA through the Secretariat's strategic outcome and four program activity areas. Mitigation strategies have been prepared for each corporate risk identified as highly probable and likely to have an impact.

The CRP is operationalized through the Secretariat's business planning process, which integrates risk management, priority setting, and resource allocation. Modifications made to the 2009–10 CRP, resulting in easier access and use, will promote a formal approach to risk management and a risk-smart culture in line with the government's Management Agenda.

The following table provides a brief description of key risks from the 2009–10 CRP and highlights elements of the strategies being used to address each risk. Many of these strategies are directly linked to the continued implementation of the plans presented in this report.

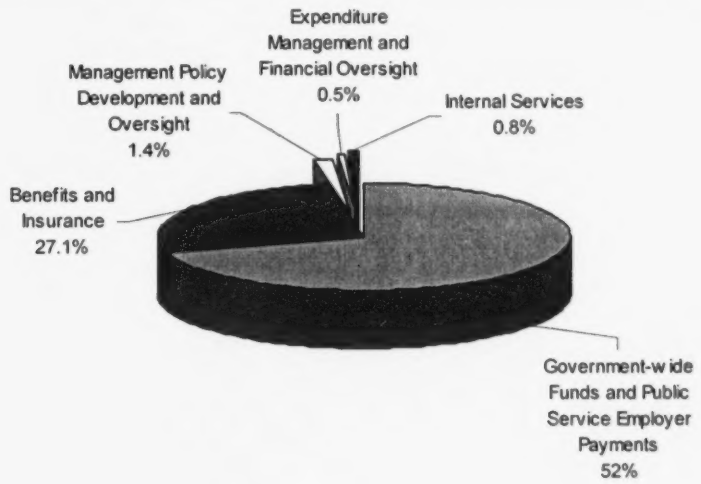
Risks	Strategies to Address Risk
1. Financial capacity There is a risk of inadequate financial capacity to achieve outcomes.	To address this risk, the Secretariat sought funding for several key priorities through Budget 2009. Funding was approved for a number of these initiatives. The Secretariat continues to improve its internal integrated planning process. Through this process, the Secretariat aligns resources with expected outcomes to ensure there is the capacity to achieve objectives or identifies gaps between resources and requirements, which can then be appropriately addressed.

2. Human resources staffing and capacity There is a risk that the Secretariat's HR plans, strategies, tools, and capacity may not be sufficient to meet and support operational requirements in a timely manner. There is an overall risk that the Secretariat will not have adequate human resources, and at the appropriate levels, to fulfill its mandate, strategic objectives, and subsequent commitments, as outlined in the RPP.	Ongoing implementation of the Secretariat's HR Strategy (2008–11) will focus on developing a robust resourcing strategy, improving HR infrastructure, and improving internal communications. This is reflected in the Secretariat's Action Plan for Public Service Renewal, which highlights initiatives for improving resourcing and HR processes, efforts for streamlining onerous administrative requirements, and initiatives for continued renewal of the Secretariat through the Change Agenda. Consistent with these initiatives, implementation of the Secretariat's Change Agenda in 2009–10 will focus on three key elements: employee engagement, capacity building, and updating processes to reinforce change-enabling strategies.

Expenditure profile

For fiscal year 2009–10, the Secretariat's total available funding is $7,772 million.

As the pie chart below indicates, more than half of the Main Estimates ($5,457 million) are related to the central funds that the Secretariat administers on a whole-of-government basis to supplement the appropriations of departments, agencies, and appropriation-dependent Crown corporations, to provide for government contingencies and for initiatives announced in Budget 2009, to meet paylist costs, such as severance pay, parental benefits, and in-year compensation adjustment, to support governmental management initiatives, and to facilitate the operating budget carry forward. Although these funds are displayed under the Secretariat in the Main Estimates, the resources are not shown in the Secretariat's planned spending because they will be transferred to appropriations in other government departments only if required.

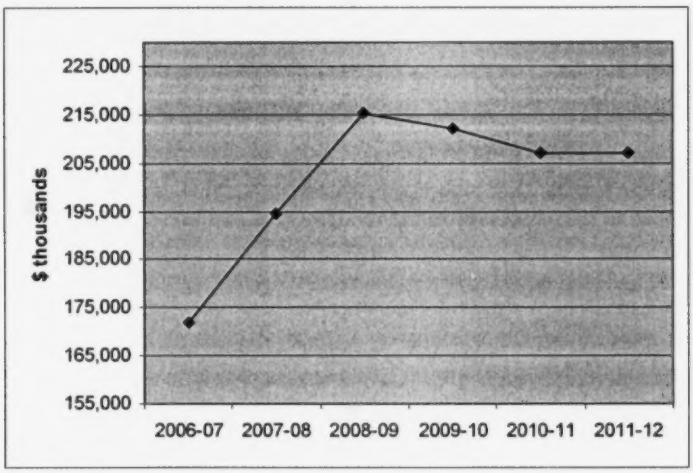

Expenditure Management and Financial Oversight 0.5%
Management Policy Development and Oversight 1.4%
Internal Services 0.8%
Benefits and Insurance 27.1%
Government-wide Funds and Public Service Employer Payments 52%

The other major portion of the Main Estimates ($2,103 million) is also related to funds the Secretariat administers on behalf of all government departments. This funding supports the administration of and payments for public service pensions, benefits, and insurance.

The remaining $212 million is directly related to the Secretariat's operations and its three main program activities: Management Policy Development and Oversight, Expenditure Management and Financial Oversight, and Internal Services.

Details on the expected results associated with these expenditures are provided in Section II: Analysis of Program Activities by Strategic Outcome.

The graph below illustrates the Secretariat's spending trend from 2006–07 to 2011–12 for its operations and the three main program activities noted above. The Secretariat's operations reflect the people and organizations that support the Secretariat's central agency role of ensuring that government is well managed and accountable, and resources are allocated to achieve results.



From 2006–07 to 2008–09, the Secretariat's spending increased mainly due to funding received for the following:

- The *Public Service Modernization Act* (PSMA), for which the Secretariat provided ongoing services and support to improve the HR regime and establish a government-wide IT professional development and apprenticeship program and an IT assessment centre for computer services;
- Streamlining regulations, which involved the establishment of a Centre of Regulatory Expertise at the Secretariat;

- The *Federal Accountability Action Plan*, for which the Secretariat provided guidance to departments and oversight for the implementation of the legislated requirements to review and evaluate all ongoing grants and contributions programs, for amendments to the *Access to Information Act* and the *Privacy Act,* and for the coordination of the overall implementation of the *Federal Accountability Act;*
- The Budget Office Systems Renewal (BOSR) project, which is an integrated solution to capture, retain, and process key budget office information (e.g. fiscal framework, pressures, authorities, appropriations);
- A transfer of functions from the Privy Council Office in 2006–07 for regulatory affairs and regional communications;
- The pay equity litigation, for which the Secretariat provided litigation support to develop the employer's defence for the complaints filed against the employer;
- Maintenance of the capacity and integrity of labour relations and compensation operations and the Classification Reform Program;
- The *Policy on Internal Audit,* for which the Secretariat provided ongoing support to departments and Centres of Excellence for implementation of a policy that is integral to the Government of Canada's commitment to increased accountability; and
- The increased personnel cost of collective agreements between the Treasury Board and collective bargaining units representing public service employees.

The Secretariat's planned spending starts to decrease in 2009–10 mainly due to the following:

- Sunsetting of the funding for the BOSR project;
- Sunsetting of funding for the maintenance of the capacity and integrity of labour relations and compensation operations and the Classification Reform Program; and
- Declining level of support for the pay equity litigation.

However, there is additional funding received for the following:

- The transformation of group insurance plans for the public service, which will support fiscal sustainability and a more effective benefits system; and
- The modernization of pay equity, including the creation of equitable compensation plans for unrepresented employees as well as research and preparatory work for equitable compensation negotiations and for the redesign of certain occupational group structures.

Voted and statutory items listed in the Main Estimates ($ thousands)

Vote Number or Statutory Item (S)	Truncated Vote or Statutory Wording	2009–10 Main Estimates[6]	2008–09 Main Estimates[7]
1	Program expenditures	**175,374**	165,237
5	Government Contingencies	**750,000**	750,000
10	Government-Wide Initiatives	**6,636**	7,141
20	Public Service Insurance	**2,103,044**	1,861,000
25	Operating Budget Carry Forward	**1,200,000**	1,200,000
30	Paylist Requirements	**500,000**	500,000
35	Budget Implementation Initiatives[1]	**3,000,000**	.....
(S)	Contributions to employee benefit plans	**22,024**	20,472
(S)	President of the Treasury Board—Salary and motor car allowance	**78**	76
(S)	Payments under the *Public Service Pension Adjustment Act*	**20**	20
	TOTAL	**7,757,177**	**4,503,946**

1. Creation in 2009–10 of Vote 35—Budget Implementation Initiatives: This new Treasury Board Central Vote is for the implementation of certain programs included in Budget 2009. For the period commencing April 1, 2009, and ending June 30, 2009, Vote 35 will supplement other appropriations and provide applicable government organizations with appropriations for initiatives announced in Budget 2009. The appropriations will cover expenditures that are within the organizations' legal mandates but are not otherwise provided for, including new grants and increases in grant amounts listed in the Estimates.

6. http://www.tbs-sct.gc.ca/est-pre/20092010/p2-eng.asp
7. http://www.tbs-sct.gc.ca/est-pre/20082009/p2_e.asp

Section II: Analysis of Program Activities by Strategic Outcome

The following section describes the Secretariat's program activities and identifies the expected results, performance indicators, and targets for each of them. This section also explains how the Secretariat plans to achieve the expected results and presents the financial and non-financial resources that will be dedicated to each program activity.

The discussion will focus on the following program activities:

1. Management Policy Development and Oversight
2. Expenditure Management and Financial Oversight
3. Government-wide Funds and Public Service Employer Payments
4. Internal Services

Strategic Outcome: Government is well managed and accountable, and resources are allocated to achieve results.

Program Activity 1: Management Policy Development and Oversight

1.1 Policy Coordination, Management Assessment, and GC Oversight

1.2 HR and Compensation Management

1.3 Service Technology and Information Management

1.4 Assets and Acquired Services

1.5 Financial Management and Internal Audit

Through this program activity, the Secretariat provides support to the Treasury Board in its role as management board. This includes the promotion of improved management performance and the development of policies that support the prudent and effective management of the government's assets and its human, financial, information, and technology resources.

Program Activity 1: Management Policy Development and Oversight					
Human Resources (FTEs) and Planned Spending ($ thousands)					
2009–10		2010–11		2011–12	
FTEs	Planned Spending	FTEs	Planned Spending	FTEs	Planned Spending
783	112,497	742	113,347	742	113,504

Expected Results[1]	Performance Indicators
Expectations are established to improve public service management.	• Evolution of departmental MAF ratings and assessments (including those related to the employer role) over time.
Functional communities are provided with the appropriate knowledge and tools to comply with Treasury Board policies.	• Recruitment levels measured against the Secretariat's set targets • Assessment of capacity in key management areas (internal audit, financial management, procurement, evaluation, information management and information technology (IM/IT), labour relations, compensation, and occupational health and safety) • Tools developed and used, and training delivered
Treasury Board policies and Secretariat advice are clear, relevant, and well communicated from the standpoint of departments and agencies.	• Quality of advice provided to departments and agencies • Implementation of policies sequenced and phased in depending on departmental capacity • Extent to which Treasury Board policies achieve intended results

1. The Secretariat is in the process of identifying targets at the program activity level. Targets presented in this report relate to expected results at the program sub-subactivity level and are taken from the PMF.

Planning highlights

In order to achieve the expected results outlined above, the Secretariat plans to undertake the following activities:

Policy Suite Renewal

In 2009–10, the Secretariat will continue streamlining the Treasury Board policy suite. By March 31, 2010, most of the 44 policies slated for renewal are expected to be renewed. Much of the work on directives, standards, and guidelines is also expected to be complete by the end of March 2010; however, owing to the complexity of certain policy areas and the need for a staggered approach, the work will continue in this fiscal year.

Expected Result	Performance Indicator	Target for 2009–10
A streamlined Treasury Board policy suite that clarifies the responsibilities of deputy heads and is consistent with other key management initiatives at the Secretariat.	Number of policies streamlined	90 per cent complete

Strengthening government-wide risk management

The Secretariat will provide departments and agencies with continued support and advice for managing risks. In 2009–10, a Centre of Excellence for Risk Management will be established to provide risk management guidance and tools to departments and agencies, foster a risk-smart

culture across government, set expectations for effective risk management, and actively support departments and agencies in meeting these expectations.

Expected Result	Performance Indicator	Target for 2009–10
Departments and agencies implement good practices for corporate risk management.	Federal organizations keep their corporate risks current.	Majority of organizations have updated their corporate risk profile.

Results-based management

The Secretariat will continue to provide departments and agencies with training, outreach, and guidance for consolidating PAAs and improving on their quality. Departmental PAAs together represent an inventory of government programs and are increasingly used in all aspects of the Expenditure Management System and in reporting. The Secretariat aims to ensure that PAAs are well developed, detailed, and consistent to allow for historical data analysis.

Expected Result	Performance Indicator	Target for 2009–10
Departments develop quality PAAs and performance measurement information for use in decision making and reporting.	Percentage of departmental PAAs rated acceptable in accordance with MRRS Policy requirements[1]	80 per cent rated as acceptable

1. This performance indicator only covers the PAA component of the expected result.

Streamlining regulation

The *Cabinet Directive on Streamlining Regulation* (CDSR) is the Government of Canada's regulatory policy. It establishes how the federal government should make regulations and ensures that those regulations protect the economy, public, and environment, use the right regulatory instrument, minimize administrative burden, facilitate trade, are made transparently, and deliver results. As a result of CDSR implementation, which is beginning its third year, a Centre of Regulatory Expertise is directly assisting departments to improve regulatory quality, guidelines have been issued on cost-benefit analysis and international regulatory cooperation, and a new Regulatory Impact Assessment Statement (RIAS) gives the public a clearer picture of regulatory impacts. Over the next three years, work to improve regulatory quality will progress by setting CDSR performance goals with major regulatory departments.

Expected Result	Performance Indicator	Target for 2009–10
The quality of regulatory submissions improves in the areas of cost-benefit analysis, regulatory cooperation, consultation, and performance measurement, while administrative burden is minimized.	Administrative burden associated with RIASs is lessened and they show cost-benefit analysis of high quality, regulatory cooperation, consultation, and performance measurement.	By April 2010, administrative burden related to RIASs is reduced and 66 per cent of the medium- and high-impact RIASs assessed (approximately 103 per year) contain cost-benefit analysis, regulatory cooperation, consultation, and/or performance measurement.

The Secretariat will work to strengthen management performance across government by:

- Providing support and leadership to departments and agencies with respect to financial management and internal audit;
- Eliminating barriers and leading horizontal initiatives to improve the management and oversight of information, technology, and service transformation initiatives;
- Providing support to regulatory departments to implement a modern approach to regulatory reform; and
- Establishing a strong evaluation function across government that is focussed on value for money and accountability.

Budget 2009 calls for timely government action to support the Economic Action Plan. To ensure funds flow quickly, the Secretariat is developing new procedures to accelerate approvals while maintaining government accountability. Measures include the creation of a new, fixed-term central Vote, and a risk-based process for Treasury Board submissions. The Secretariat is also creating a robust monitoring and reporting framework to ensure Parliament and Canadians are informed of Economic Action Plan implementation.

Benefits for Canadians: Management policy development and oversight activities will increase the government's capacity to enable change and help create an improved operating environment. Removal of barriers and inefficiencies will allow departments to deliver on priorities that serve the needs of Canadians while ensuring accountability and transparency.

Program Activity 2: Expenditure Management and Financial Oversight

2.1 Financial Oversight and Reporting

2.2 GC Expenditure Management and Oversight

2.3 Departmental Expenditure Oversight

The Treasury Board is often referred to as "the budget office" because of the important role it plays, along with the minister of Finance and the prime minister, in managing and overseeing government expenditures. The Secretariat's role is to provide advice and recommendations to Treasury Board on the allocation and reallocation of resources to ensure that they are aligned

with the government's priorities and responsibilities and that federal programs are effective, efficient, and provide value for money.

Program Activity 2: Expenditure Management and Financial Oversight					
Human Resources (FTEs) and Planned Spending ($ thousands)					
2009–10		2010–11		2011–12	
FTEs	Planned Spending	FTEs	Planned Spending	FTEs	Planned Spending
283	37,027	269	35,248	270	35,275

Expected Results	Performance Indicators
Resources are allocated to achieve results.	• All direct program spending reviewed over four years • Funds reallocated from low to high priorities • Compensation aligned with approved compensation framework
Results-based information increasingly informs expenditure management decisions.	• Percentage of departments on track with MRRS Policy implementation • Improvement of overall quality of evaluation reports
Reporting to Parliament on government spending is accurate; financial performance and stewardship is complete and timely.	• Timely tabling of Estimates and Public Accounts • Assessment of the quality of financial and non-financial information • Extent to which public reports (e.g. departmental performance reports (DPR), RPPs, Public Accounts) are consistent and integrated

Planning highlights

In order to achieve the expected results outlined above, the Secretariat plans to undertake the following activities:

Strategic reviews

The objective of strategic reviews is to assess all direct program spending and performance over a four-year period to ensure management excellence and fiscal credibility. Through the comprehensive review of their programming, organizations identify opportunities to redirect funding from lower priority, lower performing programs to higher priority, higher performing programs. The goal is to provide better value for money by investing savings in more effective programs that better meet the needs of Canadians and are aligned with federal responsibilities.

Expected Result	Performance Indicator	Target for 2009–10
All direct program spending is reviewed over a four-year cycle to ensure it is consistent with federal roles, responsibilities, and priorities as well as provides value for money.	Percentage of direct program spending reviewed each year	25 per cent

Estimates and supply

This activity involves managing the process for obtaining parliamentary approval of Appropriation Acts by preparing the government's Main and Supplementary Estimates for tabling in the House of Commons. In addition, allotment controls over approved expenditures are established and maintained and ongoing direction and strategic advice is provided to departments and agencies for the preparation of their RPPs.

Expected Result	Performance Indicator	Target for 2009–10
Clear, timely, and accurate Estimates information is tabled in Parliament to support annual appropriations from the Consolidated Revenue Fund in support of federal priorities.	Tabling of clear, timely, and accurate Main Estimates and Supplementary Estimates	Main Estimates and Supplementary Estimates tabled in accordance with the times set out in the parliamentary calendar

Accrual accounting in departmental budgeting

The Government of Canada has committed to extending accrual accounting to departmental budgeting. Accrual budgeting involves the preparation and presentation of the following future-oriented financial information: a forecast statement of operations, a forecast statement of cash flow, and a forecast statement of financial position. A three-phased approach was developed to extend accrual accounting to departmental budgeting, and phase one is now underway. Phase one consists of a pilot project in which ten departments will report future-oriented financial information on an accrual basis in their RPPs.

Expected Result	Performance Indicator	Target for 2009–10
Extending accrual accounting to departmental budgeting supports fiscal discipline through improved accountability, transparency, and financial management.	All departments table future-oriented financial statements in their RPPs.	The departments participating in the pilot project include a forecast financial statement of operations in their RPP.

The Secretariat will work with departments and agencies to strengthen expenditure management and financial oversight across government by:

- Continuing to implement the renewed EMS, which includes improvements to the Estimates process;
- Fully implementing the new Expenditure Management Information System (EMIS), which supports integration and production of Estimates information;
- Improving the quality of program performance information through continued implementation of the MRRS Policy;
- Renewing and implementing the *Evaluation Policy*, including the development of tools to support evaluation competencies and capacity across government;
- Continuing work on the pilot project to extend accrual accounting to departmental budgeting and appropriations; and
- Providing sound evidence-based analysis and advice to senior officials to support compensation decisions.

Benefits for Canadians: Expenditure management and financial oversight activities will ensure that the best possible information on government spending and resource allocation is available for decision making. Canadians benefit from government programs that are effective and efficient, are focussed on results, and provide value for taxpayers' money.

Program Activity 3: Government-wide Funds and Public Service Employer Payments

3.1 Government-wide Contingencies and Management Initiatives

3.2 Compensation Adjustments, Operating Budget Carry Forward, and Paylist Requirements

3.3 Public Service Employer Payments

The Secretariat is responsible for managing access to the central funds and administering them in accordance with applicable legislation and Treasury Board policies and standards. The human resources associated with this program activity are included in other program subactivities, predominantly in human resources and compensation management and Government of Canada expenditure management and oversight.

Program Activity 3: Government-wide Funds and Public Service Employer Payments					
Human Resources (FTEs) and Planned Spending ($ thousands)					
2009–10		2010–11		2011–12	
FTEs	Planned Spending	FTEs	Planned Spending	FTEs	Planned Spending
—	2,103,064	—	2,282,220	—	2,282,220

Planned spending in this program activity relates mainly to the following vote:

- **Vote 20—Public Service Insurance**

  This vote, which supports the Treasury Board's role as employer, is used for the following: public service pension, benefits, and insurance, including payment of the employer's share of health, income maintenance, and life insurance premiums; payments to or in respect of provincial health insurance plans; payment of provincial payroll taxes and Quebec sales tax on insurance premiums; costs associated with the pension, benefit, and insurance plans for employees engaged locally outside Canada; and the return to certain employees of their share of the employment insurance premium reduction.

Other contingency funds are available to other government departments if required and expenditures will be identified under their program activities. The following votes are therefore excluded from the Secretariat's planned spending:

- **Vote 5—Government Contingencies**

  This vote provides the government with the authority and flexibility to meet unforeseen or urgent expenditures until parliamentary approval can be obtained. Most of the items in this vote are considered temporary advances to cover items that will be included in subsequent Supplementary Estimates for other departments and agencies and reimbursed when the associated appropriation act is passed.

- **Vote 10—Government-Wide Initiatives**

  This vote supplements other departments and agencies' appropriations that support the implementation of strategic management initiatives across the public service. Historically, this vote has been used to support such initiatives as Government-On-Line, comptrollership innovation and modernization, the Financial Information Strategy (FIS), employment equity, and program evaluation and internal audit.

- **Vote 25—Operating Budget Carry Forward**

  This vote allows for routine operating budget carry-forward (OBCF) amounts, as established under the OBCF policy, to be transferred directly to departments and agencies, in a timely manner, once eligible amounts have been confirmed by the Secretariat and approved by Treasury Board ministers. The $1.2 billion in this vote, which represents no additional cost to the government, corresponds to the approximate amount of potential requirements that would otherwise have been presented in multiple Supplementary Estimates by departments and agencies.

- **Vote 30—Paylist Requirements**

  This vote covers departments and agencies' paylist shortfalls related to parental benefits, severance, and other allowances. To avoid discrimination in hiring practices, paylist costs related to these expenditures have been provided for centrally since the introduction of the Operating Budget regime in 1993. This vote provides relief from cash management challenges departments and agencies face for these legal obligations.

- **Vote 35—Budget Implementation Initiatives**

  This new Treasury Board Central Vote is for the implementation of certain programs included in Budget 2009. For the period commencing April 1, 2009, and ending June 30, 2009, Vote 35 will supplement other appropriations and provide applicable government organizations with appropriations for initiatives announced in Budget 2009. The appropriations will cover expenditures that are within the organizations' legal mandates but are not otherwise provided for, including new grants and increases in grant amounts listed in the Estimates.

Program Activity 4: Internal Services

4.1 Corporate Priorities and Planning

4.2 Public Affairs / Communications Services

4.3 Corporate Services

4.4 Legal Services

The Internal Services program activity includes the following key functions and costs that support Treasury Board and the internal management of the Secretariat: Minister's office operations, senior departmental management, strategic planning, communications, legal services, finances, HR, accommodation, security, IM/IT support, as well as some centrally administered services (e.g. translation).

Financial Resources ($ thousands)

2009–10	2010–11	2011–12
62,640	58,347	58,389

Human Resources (FTEs)

2009–10	2010–11	2011–12
648	645	645

Note: Beginning in 2009–10, FTE levels will be increased as a result of a change in the machinery of government, which involves the transfer of employees from the Department of Finance Canada to the Secretariat for the provision of Corporate Services and Internal Audit and Evaluation. The Secretariat will now have a dedicated Corporate Services function and will provide shared systems and services to the Privy Council Office (PCO) and the Department of Finance Canada.

Planning highlights

The Secretariat plans to undertake the following activities:

- Implementation of its Integrated Business Plan, which brings together the HR, finance, IM/IT, and communications functions to provide the necessary information for decision making and risk management. This will enable the Secretariat to align resources to priorities and program activities more effectively.
- Delivery of tailored risk management training to program analysts and policy centres to enhance the integration of best practices into daily business activities.
- Development and implementation of change-enabling strategies and associated initiatives to support the government's Management Agenda and Treasury Board operations. Implementation of the Secretariat's Change Agenda will target three distinct audiences (senior management, executives, and all staff) and will focus on three key elements: employee engagement, capacity building, and updating processes to reinforce change-enabling strategies.
- Ongoing implementation of the HR Strategy 2008–11, which articulates the important changes the Secretariat is making to its workforce and work environment to make it a workplace of choice. Implementation of the HR Strategy will focus on senior management's commitment to developing and implementing a robust resourcing strategy, improving HR infrastructure, supporting Secretariat employees through community management renewal strategies, and improving internal communications.

The Secretariat's **Change Agenda** is an internal initiative that will better position the Secretariat to deliver on the government's Management Agenda. This will be done by refocussing how the Secretariat does business and by being more strategic and proactive in the support and advice it provides to clients, colleagues, employees, and superiors. The Agenda does not change what the Secretariat does, but how it does it.

- Implementation of a new shared corporate services model that will effectively support the Secretariat as well as the Department of Finance Canada and other partners. The Department of Finance Canada and the Secretariat have maintained a fully shared corporate services function for many years. With recent organizational changes and a focus on strengthening accountability, departmental management practices need to be integrated into departmental operations to ensure priorities are supported and risks mitigated. Both departments have jointly reviewed their long-standing shared arrangements and have recommended changes that would involve each having some dedicated resources to support their respective businesses. A significant number of services will remain shared but where resources are too minimal to allot separately, common business practices across government would be proposed. This change will help clarify accountabilities, ensure better compliance with legislation and policy, and improve the Secretariat's ability to meet the specialized and

operational needs of its clients, while managing the risks associated with ongoing shared service provision. The transition work begun in 2008–09 will continue through 2009–10.

Section III: Supplementary Information

Financial highlights

The Secretariat is one of ten departments involved in a two-year pilot project to develop a methodology for departments to prepare future-oriented financial statements. The future-oriented financial highlights presented in this section of the RPP are intended to serve as a general overview of the Secretariat's operations. These future-oriented financial highlights are prepared on an accrual basis to strengthen accountability and improve transparency and financial management.

The complete future-oriented financial statements can be found on the Secretariat's website.[8]

Future-oriented Statement of Operations **For the year ended March 31**	**2009–10** **($ thousands)**
Expenses	
Government-wide Funds and Public Service Employer Payments	2,112,764
Expenditure Management and Financial Oversight	41,856
Management Policy Development and Oversight	126,179
Internal Services	72,660
Total Expenses	**2,353,459**
Revenues	
Government-Wide Funds and Public Service Employer Payments	11,762
Management Policy Development and Oversight	4,879
Total Revenues	**16,641**
Net Cost of Operations	**2,336,818**

The difference between the figures above and the planned spending amounts provided in other sections of the RPP relate to such items as non-respendable revenues, services without charge received from other government departments, amortization, and severance and vacation pay liability adjustments. Additionally, statutory payments related to the employer's portion of the Employee Benefit Plan and payments of pay equity settlements are included above but not in the planned spending. For more information, refer to Note 5a in the full 2009–10 Future-oriented Statement of Operations found on the Secretariat's website.[8]

8. http://www.tbs-sct.gc.ca/rpp/2009-2010/inst/tbd/st-ts00-eng.asp

List of tables

The following tables are located on the Secretariat's website:[9]

- Table 1: Green Procurement
- Table 2: Sustainable Development Strategy
- Table 3: Internal Audits
- Table 4: Evaluations
- Table 5: Sources of Respendable and Non-Respendable Revenue
- Table 6: User Fees

9. http://www.tbs-sct.gc.ca/rpp/2009-2010/inst/tbd/st-ts00-eng.asp